

**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF  
DIRECTORS  
OF THE BRISTOL COUNTY WATER AUTHORITY**

**Wednesday, May 7, 2008**

**450 Child Street, Warren Office, Boardroom, Warren, RI**

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**Pursuant to proper notice, the Special Meeting of the Board of Directors of the Bristol County Water Authority was called to order by Chairman Jannitto at 6:30 pm, in the Warren Office, Boardroom, Warren, Rhode Island. Executive Director Pasquale DeLise, Legal Counsel Ms. Sandra Mack and the following Directors were in attendance at the commencement of the meeting:**

**William Gosselin, John Jannitto, Allan Klepper, John McElroy, Joseph Rego, John Saviano, Frank Sylvia, and John Veader**

**Director Absent –Ian Morrison**

**Legal Counsel Ms. Sandra Mack stated that Bristol County Water Authority is borrowing \$5.5 million from RI Clean Water Finance Agency. The borrowed money will have to be spent within 3 years. Executive Director DeLise stated that the application was prepared for a 5-year term.**

**Director John Veader left the meeting at 6:45 pm.**

**Director Saviano stated that he would be voting in favor of the resolution subject to Executive Director DeLise and Legal Counsel Ms. Mack resolving the time issue.**

**Ms. Mack stated that \$4 million must be spent in three years.**

**Mr. Webster Goodwin, Manager of Accounting and MIS stated that in the fourth year additional meters could be purchased to utilize the extra money.**

**Director Saviano made the following motion**

**MOTION: To approve the resolutions (attached herewith), as presented.**

**Motion was seconded by Director Klepper.**

**Motion passed unanimously.**

**There being no further business the meeting was adjourned at 6:55 pm**

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**John L. McElroy, Jr.**  
**BCWA Secretary**

**BRISTOL COUNTY WATER AUTHORITY  
RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE BRISTOL COUNTY WATER AUTHORITY APPROVING  
THE FINANCING OF IMPROVEMENTS TO THE BRISTOL COUNTY  
WATER  
AUTHORITY WATER SYSTEM AND APPROVING THE ISSUANCE OF  
GENERAL  
REVENUE BONDS, 2008 SERIES A THEREFOR IN AN AMOUNT NOT  
TO EXCEED  
\$5,500,000**

**Dated: May 7, 2008**

**WHEREAS: The Bristol County Water Authority (the "Authority") desires and intends to borrow up to Five Million Five Hundred Thousand Dollars (\$5,500,000) from the Rhode Island Clean Water Finance Agency (the "Agency") to finance (i) the replacement of water meters; (ii) storage tank rehabilitation; (iii) replacement of water mains and (iv) and other distribution improvements (the "Project").**

**WHEREAS:** On September 18, 2007, at a regularly scheduled meeting of the Board of Directors of the Authority (the "Board"), the Board authorized the Executive Director of the Authority (the "Executive Director") to approve, execute and deliver a commitment letter to the Agency in furtherance of the Project.

**WHEREAS:** The loan from the Agency to the Authority will be evidenced and secured by a Loan Agreement between the Authority and the Agency pursuant to which the Authority will issue to the Agency and the Agency will purchase from the Authority, the Authority's General Revenue Bonds, 2008 Series A (the "Bonds") in an amount not to exceed Five Million Five Hundred Thousand Dollars (\$5,500,000).

**WHEREAS:** The Bonds will be issued pursuant to a 2008 Series A Resolution of the Authority substantially in the form of Exhibit A attached hereto (the "2008 Series Resolution") amending and supplementing that certain General Bond Resolution of the Authority adopted on November 13, 1986, as supplemented by that certain First Supplemental Resolution dated November 21, 1995, as further supplemented by that certain Second Supplemental Resolution dated July 23, 1997 and as further supplemented by that certain Third Supplemental Resolution dated September 27, 2001 (collectively, the "Resolution").

**WHEREAS:** If required, the Authority will agree to provide continuing disclosure as to certain matters as set forth in a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement").

**NOW, THEREFORE,** be it resolved that:

**SECTION 1. In order to finance the Project, the Authority is hereby authorized to borrow from the Agency an amount not exceeding Five Million Five Hundred Thousand Dollars**

**(\$5,500,000) and enter into the Loan Agreement upon such terms and conditions as any Authorized Officer, acting singly and in his sole discretion, shall approve.**

**SECTION 2. For purposes of this Resolution, the signatures or other acts of an "Authorized Officer" of the Authority shall be those of the Executive Director, Chairman, Vice Chairman, Treasurer or Secretary of the Authority, signing singly.**

**SECTION 3. The 2008 Series Resolution is hereby approved and ratified in all respects.**

**SECTION 4. Any Authorized Officer is hereby authorized and instructed to (i) take all actions, on behalf of the Authority, necessary to ensure that interest on the Bonds will be excludable from gross income for federal income tax purposes and to refrain from all actions which would cause interest on the Bonds to become subject to federal income taxes, and (ii) execute, acknowledge and deliver the Loan Agreement, the Bonds and any and all other documents, certificates or instruments necessary to effectuate the purposes of this Resolution and the issuance of the Bonds at any time and from time to time, in such manner and for such purposes as the Executive Director, acting singly and in his sole discretion, shall deem necessary, desirable or advisable; and do and perform all such other acts and things deemed by the Executive Director to be necessary, desirable or advisable with respect to any matters contemplated by**

**this Resolution in order to effectuate the intent hereof.**

**SECTION 5. Pending the issuance of the Bonds as provided in this Resolution, the Authority may expend funds for the Project. Any advances made under this section shall be repaid without interest from the proceeds of the Bonds issued hereunder or from the proceeds of applicable federal or state assistance or from other available funds. Any expenditures of costs incurred to date in connection with the Project are hereby authorized, approved, adopted, ratified and confirmed.**

**SECTION 6. This Resolution is an affirmative action of the Authority toward the issuance of the Bonds and constitutes the Authority's declaration of official intent, pursuant to Treasury Regulation § 1.150-2, to reimburse the Authority for certain capital expenditures for the Project paid on or after the date which is sixty (60) days prior to the date of this Resolution, but prior to the issuance of the Bonds. Such amounts to be reimbursed shall not exceed Five Million Five Hundred Thousand Dollars (\$5,500,000) and shall be reimbursed not later than eighteen (18) months after the later of (a) the date on which the expenditure is paid or (b) the date on which the Project is placed in service or abandoned but in no event later than three (3) years after the date on which the expenditure is paid.**

**SECTION 7. Any Authorized Officer is authorized to take all actions necessary to comply with federal tax and securities laws including Rule 15c2-12 of the Securities and Exchange Commission (the "SEC Rule") and, if required, to execute and deliver a Continuing Disclosure Certificate in connection with the Bonds in the form as**

shall be deemed advisable by the Executive Director in order to comply with the SEC Rule. The Authority hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate, as it may be amended from time to time. Notwithstanding any other provision of this Resolution or the Bonds, failure of the Authority to comply with the Continuing Disclosure Certificate shall not be considered an event of default; however, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Authority to comply with its obligations under this Section and under the Continuing Disclosure Certificate.

## **Exhibit A**

### **2008 Series Resolution**

**(See attached)**

## **BRISTOL COUNTY WATER AUTHORITY SERIES RESOLUTION**

**Adopted on May 7, 2008**

**Authorizing the Issuance of**

**Bristol County Water Authority**

**General Revenue Bonds, 2008 Series A**

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## **SERIES RESOLUTION**

**AUTHORIZING NOT TO EXCEED \$5,500,000**

**GENERAL REVENUE BONDS, 2008 SERIES A**

**Be it resolved by the Bristol County Water Authority, as Follows:**

### **ARTICLE I**

#### **DEFINITIONS AND AUTHORITY**

**Section 101, Short Title. This resolution is hereinafter sometimes referred to as the "2008 Series A Resolution".**

**Section 102. Definitions. (1) Except as provided in subsection (2) of this Section, all terms used herein shall have the same meanings in this 2008 Series A Resolution as are given such terms in Section 101 of the. Resolution.**

**(2) In this 2008 Series A Resolution unless a different meaning clearly appears from the context:**

**"Agency" means the Rhode Island Clean Water Finance Agency established pursuant to Chapter 12.2. of Title 46 of the General Laws of Rhode Island (1956) as amended;**

**"Agency Indenture of Trust" shall mean that certain Indenture of Trust dated as of February 23, 2004, by and between the Agency, and the Agency Trustee, as amended by the First Supplemental Indenture dated as of March 1, 2005 and the Second Supplemental Indenture dated as of March 1, 2007, and the Third Supplemental Indenture**

**dated as of the May 1, 2008**

**providing for the issuance from time to time by the Agency of negotiable bonds to provide sufficient moneys for achieving its corporate purposes;**

**"Agency Trustee" shall mean the trustee under the Agency Indenture of Trust;**

**"Loan Agreement" shall mean the loan agreement between the Agency and the Authority dated June 5, 2008 pursuant to which the Authority will issue to the Agency and the Agency will purchase from the Authority the 2008 Series A Bonds;**

**"Business Day" shall mean any day other than a day in which banking institutions in the city in which the Principal Office of the Trustee is located, the City of Boston, Massachusetts or the City of Providence, Rhode Island, are authorized or required by law to be closed;**

**"Closing" shall mean the day on which the 2008 Series A Bonds are available for delivery to the Agency;**

**"Code" means the Internal Revenue Code of 1986 as amended from time to time and the regulations thereunder and under the Internal Revenue Code of 1954 to the extent applicable;**

**"Continuing Disclosure Certificate" means a certificate of the Authority, if required, in form and substance satisfactory to an Authorized Officer of the Authority, dated on or before the date of authentication and delivery of the 2008 Series A Bonds, as originally executed and as it may be amended from time to time, under which**

**the Authority agrees for the benefit of the owner of the 2008 Series A Bonds to provide annual reports and notices of certain events in order to assist the Agency in connection with the 2008 Series A Bonds to comply with the provisions of Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended;**

**"Order to Trustee to Authenticate and Deliver Bonds and Apply Bond Proceeds" shall mean the further proceedings of the Authority as delegated to an Authorized Officer of the Authority by the terms hereof-,**

**"Project" shall mean (a) replacement of water meters; (b) storage tank rehabilitation; (c) replacement of water mains and (d) and other distribution improvements;**

**"Record Date" shall have the meaning specified in Section 201(6) hereof, "Registered Owner" shall mean the Rhode Island Clean Water Finance Agency;**

**"Required Debt Service Deposits" with respect to the 2008 Series A Bonds shall mean the payments on the dates and in the amounts set forth in "Order to Trustee to Authenticate and Deliver Bonds and Apply Bond Proceeds" and which shall take into account amounts, if any, held by Agency Trustee in an account established for the benefit of the Authority;**

**"Resolution" shall mean the General Bond Resolution of the Authority adopted on November 13, 1986, as amended by the First Supplemental Resolution amending the General Bond Resolution adopted on November 21, 1995, and the Second Supplemental**

**Resolution Amending the General Bond Resolution adopted on July 23, 1997, and the Third Supplemental Resolution Amending the General Bond Resolution adopted September 27, 2001, as the same may be amended from time to time;**

**"Trustee" shall mean U.S. Bank National Association;**

**"2008 Series A Bonds" shall mean the Bonds authorized by Section 201 hereof,**

**"2008 Series Account" shall mean the account in the Debt Service Reserve Fund so designated and created by Section 301(3) hereof,**

**"2008 Series Cost of Issuance Account" shall mean the account in the Project Fund established by Section 301(2) hereof;**

**"2008 Series Project Account" shall mean the account in the Project Fund so designated and created by Section 301(1) hereof.**

**Section 103. Authority. This 2008 Series A Resolution is adopted pursuant to the Resolution and the Act.**

## **ARTICLE II**

### **AUTHORIZATION OF 2008 SERIES A BONDS**

**Section 201. 2008 Series A Bonds. (1) A Series of Fixed Rate Bonds, designated "General Revenue Bonds, 2008 Series A" and constituting the fifth Series of Bonds under the Resolution, is hereby authorized to be issued pursuant to Section 203(2) and Section 205 of the Resolution in the aggregate Principal Amount not to exceed \$5,500,000.**

**(2) The purposes for which the 2008 Series A Bonds are issued are to provide (a) funds to finance the costs of the Project, (b) to fund the**

**2008 Series A Account in the Debt Service Reserve Fund, and (c) to provide for all or a portion of the Cost of Issuance of the 2008 Series A Bonds by deposit of funds in the 2008 Cost of Issuance Account, subject in all cases to the limitations and provisions provided in Article V of the Resolution and in the amounts determined by or pursuant to Article III hereof.**

**(3) The 2008 Series A Bonds shall be dated June 5, 2008 and shall bear interest (computed on the basis of a 360-day year consisting of twelve 30-day months) from that date. In accordance with Section 303 of the Resolution, the 2008 Series A Bonds shall be authenticated prior to delivery to the Agency by the Trustee, who is hereby appointed Authenticating Agent for the 2008 Series A Bonds. The Trustee is also hereby appointed registrar and paying agent for the 2008 Series A Bonds. Principal of the 2008 Series A Bonds shall be payable on the dates, in the Principal Amounts, at the stated rates which is the Authority's market interest rate (the "Market Rate") but with a subsidized interest rate (which is  $66\frac{2}{3}\%$  of the respective Market Rate (the "Subsidized Interest Cost") and a zero subsidized interest rate (the "Zero Subsidized Rate").**

**(4) The 2008 Series A Bonds shall mature on the dates and in the Principal Amounts as shown in the Order to Trustee to Authenticate and Deliver Bonds and Apply Bond Proceeds and shall bear interest payable semi-annually on March 1 and September 1 of each year commencing September 1, 2009 (herein referred to as an "Interest Payment Date") at the annual rates shown in the Order to Trustee to Authenticate and Deliver Bonds and Apply Bond Proceeds.**

**(5) The 2008 Series A Bonds shall be subject to redemption prior to their stated dates of maturity in accordance with the terms outlined in the Order to Trustee to Authenticate and Deliver Bonds and Apply Bond Proceeds.**

**(6) Principal and interest on the 2008 Series A Bonds shall be payable by check or draft mailed or by wiring funds from the Trustee, as Paying Agent for the 2008 Series A Bonds, to the Agency. The Record Date for Payment of Interest on the 2008 Series A Bonds shall be the**

**fifteenth day of the month preceding the month in which the interest is to be paid, or, if such fifteenth day is not a Business Day, the next preceding Business Day, provided that, with respect to overdue interest or interest payable on redemption of such 2008 Series A Bonds other than on an Interest Payment Date or interest on any overdue amount, the Trustee may establish a special Record Date. The special Record Date may be not more than thirty (30) days before the date set for payment. The Trustee shall give notice of a special Record Date by mailing a copy of such notice to the Registered Owner of the 2008 Series A Bonds by first class mail at least fifteen (15) days before the special Record Date or in such other time and manner as the Trustee may deem appropriate.**

**Section 202. [Reserved].**

**Section 203. Prepayment. The 2008 Series A Bonds are subject to prepayment with the consent of the Agency, subject to the terms of the Loan Agreement.**

**Section 204. Form of 2008 Series A Bonds. Subject to the provisions**

**of the Resolution, the form of the 2008 Series A Bonds shall be substantially as follows, with such insertions, omissions, and variations as may be required or permitted by the Resolution:**

**[FORM OF 2008 SERIES A BOND]**

**No. R-1 \$5,500,000**

**BRISTOL COUNTY WATER AUTHORITY**

**GENERAL REVENUE BONDS, 2008 SERIES A**

**Principal Amount: FIVE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$5,500,000)**

**Original Issue Date: 2008**

**Registered Owner: Rhode Island Clean Water Finance Agency**

**The BRISTOL COUNTY WATER AUTHORITY (herein called the "Authority") for value received, hereby promises to pay to the Registered Owner, or registered assigns, the Principal Amount or such lesser amount as shall have been advanced from time to time under and pursuant to the Loan Agreement by and between the Agency and the Authority, relating to the Loan, as defined therein, which this bond represents in installments on September 1 of each year set forth on Exhibit A, with interest meantime, payable from the date of the first advance to the Authority pursuant to the Loan Agreement at the Interest Rate Per Annum as set forth on Exhibit A on such Principal Amount from the most recent September 1 or March 1 (each an "Interest Payment Date") to which interest has been paid or provided for or, if no interest has been paid, from the Original Issue Date or, if the Registration Date of this bond is subsequent to**

the record date for payment of any installment of interest and on or prior to the Interest Payment Date therefor, and if interest is paid to such date, from such Interest Payment Date, payable on September 1, 2008, and semi-annually thereafter on the first day of each subsequent March and September until payment of such Principal Amount. Interest will be calculated on the basis of a 360-day year of twelve 30-day months. If any Interest Payment Date or Principal Payment Date is not a Business Day, interest or principal shall be paid on the next succeeding Business Day as defined in the 2008 A Series Resolution hereinafter mentioned, with no additional interest accruing. The principal of, redemption price and interest on this bond are payable in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debt. The principal of, redemption price and interest on this bond is payable by check or draft drawn on U.S. Bank National Association, (herein known as "Trustee", trustee under the General Bond Resolution), or its successor, and to the Registered Owner at its address appearing on the registration books of the Authority kept for that purpose at the principal office of the Trustee, determined as of the close of business on the applicable record date, provided that payments of interest to any Registered Owner of \$ 1,000,000 or more aggregate principal amount of 2008 Series A Bonds (as defined in the Series) may be paid at the election of the Registered Owner by wire transfer to the account number of such Registered Owner on file with the Trustee or to another account number of which the Registered Owner shall give notice to the Trustee in writing at least five days



prior to the Interest Payment Date. The record date for payment of interest is the fifteenth day of the month next preceding the date on which the interest is to be paid or, if such last day is not a Business Day, the next preceding Business Day, provided that, with respect to overdue interest or interest payable on redemption of this bond other than on an Interest Payment Date or interest on any overdue amount, the Trustee may establish a special

record date. The special record date may not be more than twenty (20) days before the date set for payment.

**THE PRINCIPAL OF OR REDEMPTION PRICE AND INTEREST ON THE 2008 SERIES A BONDS ARE PAYABLE ONLY FROM THE REVENUES OR ASSETS OF THE AUTHORITY PLEDGED THEREFOR AND NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION OF THE STATE SHALL BE OBLIGATED TO PAY THIS BOND. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THIS BOND.**

This bond is one of a duly authorized issue of bonds of the Authority (herein called the "Bonds"), issued and to be issued pursuant to Chapter 102 of the Public Laws of 1981 of the State, as amended (the "Act") and under and pursuant to a resolution of the Authority adopted November 13, 1986, entitled "General Bond Resolution" as amended by the First Supplemental Resolution amending the General Bond Resolution adopted on November 21, 1995, the Second

**Supplemental Resolution amending the General Bond Resolution adopted on July 23, 1997 and the Third Supplemental Resolution amending the General Bond Resolution adopted on September 27, 2001 (collectively herein called the "General Bond Resolution"). As provided in the General Bond Resolution, Bonds may be issued from time to time in one or more series in various principal amounts, may mature at different times, may bear interest at different rates, and may otherwise vary as provided in the General Bond Resolution. Except as provided in the General Bond Resolution, the aggregate principal amount of Bonds which may be issued thereunder is not limited and all Bonds issued and to be issued under said General Bond Resolution are and will be equally secured by the pledge and covenants provided therein.**

**This bond is a general obligation of the Authority, to which its full faith and credit is pledged. There are also pledged to the payment of the principal and redemption price of and interest on the Bonds, subject to the provisions of the General Bond Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the General Bond Resolution, the proceeds of the Bonds, all Revenues of the Authority (as defined in the General Bond Resolution), and all moneys, securities and other amounts in all funds and accounts established by or pursuant to the General Bond Resolution, except the General Fund and the Rebate Fund of the Authority.**

**This bond is one of a series of Bonds designated as "General Revenue Bonds, 2008 Series A" (herein called the "2008 Series A**

**Bonds"), issued under the General Bond Resolution and under and pursuant to the further resolution of the Authority adopted on May 7, 2008 entitled the "2008 Series A Resolution" (which resolution together with the General Resolution are herein collectively called the "Resolutions"), and an Authorizing Resolution of the Board of Directors of the Bristol County Water Authority Approving the Financing of Improvements to the Bristol County Water Authority Water System and Approving the Issuance of General Revenue Bonds, 2008 Series A therefor in an amount not to exceed \$5,500,000 adopted by the Board of Directors at a meeting duly called, convened and held on May 7, 2008 (the "Authorizing Resolution") and limited to the aggregate principal amount of \$5,500,000. Copies of the Resolutions and Authorizing Resolution are on file at the office of the Authority in the Town of Warren, Rhode Island, and at the principal corporate trust office of the Trustee and reference to the Resolutions and any supplements thereto and to the Act is made for a description**

**of the pledge securing the Bonds and covenants relating thereto, the manner of enforcement of the pledge, the rights and remedies of the Registered Owner of the Bonds with respect thereto, the terms and conditions upon which the Bonds are issued and may be issued thereunder, the conditions upon which the General Bond Resolution may be amended with or without the consent of the Registered Owner of the Bonds, and the terms upon which Bonds may no longer be secured by the Resolutions.**

**The Registered Owner of this bond shall have no right to enforce the**

**provisions of the Resolutions or to institute action to enforce the covenants therein or to take any action with respect to an Event of Default under the Resolutions or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Resolutions.**

**The 2008 Series A Bonds are subject to prepayment at any time with the consent of the Agency, subject to the terms of the Loan Agreement.**

**In the event the Paying Agent shall resign or be replaced by the Authority or shall otherwise be incapable of acting as such Paying Agent, notice of any appointment of a successor Paying Agent shall be given by the Authority not more than thirty (30) days after such appointment by notice mailed to the Agency.**

**No recourse shall be had for the payment of the principal or the interest on the 2008 Series A Bonds or for any claim based thereon or on the Resolutions against any member, officer or employee of the Authority or any person executing the 2008 Series A Bonds.**

**The Act provides that the State of Rhode Island and Providence Plantations (the "State") has pledged and agreed that it will not limit or alter the rights hereby vested in the Authority until all Bonds issued by the Authority are fully met and discharged or adequate provision has been made by law for the protection of the holders of such bonds or obligations.**

**It is hereby certified and recited that all conditions, acts and things required by the Constitution or statutes of the State or the Resolutions to exist, to have happened or to have been performed**

**precedent to or in the issuance of this bond, exist, have happened and have been performed and that the issue of this bond, together with all other indebtedness of the Authority, is within every debt and other limit prescribed by law.**

**This bond shall not be entitled to any security, right or benefit under the Resolutions or be valid or obligatory for any purpose, unless the certificate of authentication hereon has been duly executed by the Trustee.**

**IN WITNESS WHEREOF, the Bristol County Water Authority has caused this bond to be executed in its name by the manual or facsimile signature of an authorized officer of the Authority and its corporate seal (or a facsimile thereof) to be affixed, imprinted, engraved or otherwise reproduced hereon and countersigned by the manual or facsimile signature of another authorized officer of the Authority.**

**(Seal) BRISTOL COUNTY WATER AUTHORITY**

**By:**

**Authorized Officer**

**Countersigned:**

**By: Authorized Officer**

### **CERTIFICATE OF AUTHENTICATION**

**This bond is one of the 2008 Series A Bonds described in the within-mentioned Resolutions of the Bristol County Water Authority.**

**U.S. Bank National Association, as Authenticating Agent**

**By:**

## **Officer of Authenticating Agent**

### **CERTIFICATE OF ASSIGNMENT**

**The Rhode Island Clean Water Finance Agency, for value received, does assign and pledge the above Bond to U.S. Bank National Association, as Agency Trustee under the Agency Indenture of Trust, dated as of February 23, 2004, as supplemented between the Agency and such Trustee, to be held as provided therein as security for the performance of the obligations of the Agency hereunder.**

**IN WITNESS WHEREOF, the Rhode Island Clean Water Finance Agency has caused this assignment to be signed in its name and behalf by its duly authorized officer, as of the day of 52008.**

**Rhode Island Clean Water Finance Agency**

**By: Title: Executive Director**

### **EXHIBIT A**

**Maturity Principal**

**(September 1) Amount Market Rate**

**Section 205. Sale of 2008 Series A Bonds. (1) The 2008 Series A**

**Bonds shall be sold to the Agency pursuant to the Order to Trustee to Authenticate and Deliver Bonds and Apply Bond Proceeds, at the prices, on the terms and conditions, and upon the representations as determined by the Loan Agreement for the 2008 Series A Bonds. The Executive Director, the Chairman, the Vice-Chairman, the Treasurer or the Secretary (each an "Authorized Officer"), acting singly, are hereby authorized and empowered to approve the terms of the 2008 Series A Bonds, including but not limited to, the aggregate principal amount thereof to be issued, the interest rates to be borne by the 2008 Series A Bonds, the maturity or maturities thereof pursuant to the Order to Trustee to Authenticate Bonds and Apply Bond Proceeds and to prepare, negotiate and approve all required documents. The Order to Trustee to Authenticate Bonds and Apply Bond Proceeds shall constitute further proceedings of the Authority with the same force and effect as if incorporated herein. Each Authorized Officer, acting singly, are each hereby authorized to accept the interest rates for the 2008 Series A Bonds and to deliver the 2008 Series A Bonds to the Agency.**

**(2) The 2008 Series A Bonds shall be delivered upon compliance with the provisions of Section 204 and Section 205 of the Resolution.**

**Section 206. Continuing Disclosure. If required, the Authority hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of the Resolution or this 2008 Series A Resolution, failure of the Authority to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default or a**

default with respect to the 2008 Series A Bonds. The sole remedy under the Continuing Disclosure Certificate, the Resolution or this 2008 Series A Resolution for any such failure to comply shall be an action for specific performance of the Authority's obligations under the Continuing Disclosure Certificate and not for money damages in any amount.

## **ARTICLE III**

### **APPLICATION OF PROCEEDS AND OTHER FUNDS**

**Section 301. Establishment of Accounts.** (1) In accordance with Section 503 of the Resolution, a Project Account designated as the 2008 Series Project Account is established within the Project Fund. Such account shall be established and held by the Trustee in accordance with Section 503 of the Resolution and Sections 302 and 303 hereof.

(2) In accordance with Section 503(6) of the Resolution, a Cost of Issuance Account within the Project Fund, designated the "2008 Series Cost of Issuance Account", shall be established to be held by the Trustee in accordance with subsection (6) of said Section 503 of the Resolution and Section 302 hereof.

(3) In accordance with Section 502(2) of the Resolution, a 2008 Series Account within the Debt Service Reserve Fund shall be established to be held by the Trustee in accordance with Section 509 of the Resolution and Section 302 hereof.

**Section 302. Application of 2008 Series A Bond Proceeds.** The net proceeds of the sale of the 2008 Series A Bonds, including accrued



interest received upon their delivery, shall be applied or caused to be applied by the Authority simultaneously with their delivery as set forth in the Order to Trustee to Authenticate and Deliver Bonds and Apply Bond Proceeds executed by the Authority at the Closing.

**Section 303. Disbursements from the 2008 Series Project Account.** Amounts, if any, in the 2008 Series Project Account shall be disbursed to or upon the order of the Authority upon receipt by the Agency of one or more requisitions in the form annexed to and incorporated into this Series Resolution as Exhibit A, subject to the additional requirement that payments and reimbursements will be made only on account of those portions of the Project for which the Authority has received and filed with the Agency a certificate of approval from the Rhode Island Department of Health.

**Section 304. Tax Covenants.** The Authority and the Trustee covenant to take all actions necessary to comply with the Tax Compliance Certificate.

Notwithstanding any provision of the Resolution or this 2008 Series A Resolution, the Authority shall take all lawful action necessary under the Code to ensure that interest on the 2008 Series A Bonds will remain exempt from federal income taxation to the extent provided in Section 103 of said Code and will refrain from taking any action which will cause interest on the 2008 Series A Bonds to lose the benefit of the exclusion from gross income provided by Section 103(a) of the Code. The Authority shall not use or permit the use of any moneys held by the Authority or the Trustee under the Resolution in any manner which would result in the 2008 Series A Bonds being

**classified as private activity bonds within the meaning of Section 141 of the Code or as arbitrage bonds within the meaning of Section 148 of the Code.**

**The provisions of this Section 304 shall be complied with by the Authority in order to meet the requirements of the Code such that interest on the 2008 Series A Bonds shall be and remain exempt from federal income taxes to the extent provided in Section 103 of the Code; provided, however, that the Authority shall not be required to comply with any such provision with respect to the 2008 Series A Bonds in the event the Authority receives a Counsel's Opinion that compliance with such provision is no longer required to satisfy the requirements of the Code or that compliance with some other provision in lieu of a provision specified in this Section 304 will satisfy said requirements, in which case compliance with such other provision specified in the Counsel's Opinion shall constitute compliance with the provisions specified in this Section 304. The Authority shall adopt a Supplemental Resolution reflecting the deletion or substitution of any such provision of this Section 304 in the same manner as provided for Supplemental Resolutions adopted in accordance with Section 901 of the Resolution.**

#### **ARTICLE IV**

#### **MISCELLANEOUS**

**Section 401. Authorization of Officers. The Executive Director, Chairman, Vice Chairman, Treasurer or Secretary of the Authority, acting singly, are hereby authorized and**

directed to do all acts and things and to execute and deliver any and all documents, certificates and other instruments necessary or desirable to effectuate the transactions contemplated by this 2008 Series A Resolution, the Resolution and the Continuing Disclosure Certificate.

**Section 402. Amendment.** This Series Resolution may be amended without Bondholder consent for any of the purposes set forth in Article IX of the Resolution.

Except as provided in the foregoing sentence, and subject to the provisions of Section 401 hereof, this Series Resolution may be amended in accordance with the procedures set forth in Article X of the Resolution; provided, however, that no amendment of this Series Resolution may be made without the written consent of the Agency for any of the following purposes: (a) to extend the maturity of any 2008 Series A Bond; (b) to reduce the principal amount or interest rate of any 2008 Series A Bond; (c) to make any 2008 Series A Bond redeemable other than in accordance with its terms; (d) to create a preference or priority of any Bond or Bonds over any other Bond or Bonds; or (e) to reduce the percentage of the Principal Amount of Outstanding 2008 Series A Bonds required to be represented by the Bondholders giving their consent to any amendment.

Any amendment of this Series Resolution shall be accompanied by a Counsel's Opinion to the effect that the amendment is permitted by this Series Resolution and will not jeopardize the tax-exempt status of the 2008 Series A Bonds.

**Section 403. Notices.** Unless otherwise expressly provided, all

notices to the Authority, the Trustee and the Paying Agent shall be in writing and shall be sent by registered or certified mail, postage prepaid, or delivered during business hours as follows: (i) to the Authority at its office at PO Box 447, 450 Child Street, Warren, Rhode Island 02885-0447, attention of Executive Director, (ii) to the Trustee and Paying Agent at U.S. Bank National Association One Federal Street, 3 d Floor, Boston Massachusetts 02110, attention of Corporate Trust Services, (iii) to the Agency at 235 Promenade Street, Suite 119, Providence, Rhode Island 02908, or, as to all of the foregoing, to such other address as the addressees shall have indicated by prior written notice to the one giving notice. If mailed, any notice given under this section shall be deemed given upon mailing, and if delivered, such notice shall be deemed given upon receipt by the party for whom it was intended.

Notice hereunder may be waived prospectively or retrospectively by the person entitled to the notice, but no waiver shall affect any notice requirement as to other persons.

**Section 404. Severability.** In the event that any provision of this Series Resolution shall be held to be invalid under any circumstances, such invalidity shall not affect any other provisions or circumstances.

**Section 405. Captions.** The captions and table of contents, if any, of this Series Resolution are for convenience only and shall not affect the construction hereof.

**Section 406. Effective Date.** This 2008 Series A Resolution shall take effect upon adoption.

**EXHIBIT A**

**Form of Requisition**

**REQUISITION NO.**

**\$5,500,000 Bristol County Water Authority**

**General Revenue Bonds, 2008 Series A**

**To: U.S. Bank National Association, Trustee under General Resolution, as amended.**

**This Requisition is made pursuant to Section 503 of the above Series Resolution. The Trustee is directed to pay sums out of the 2008 Series Project Account.**

**Payee Purpose of Payment Amount**

**[][][]**

**I hereby certify that**

**(i) each obligation mention herein (a) has been properly incurred, (b) is a proper charge against the 2008 Series Project Account, (c) is currently due and payable, (d) has not been previously paid or reimbursed, (e) has not been the basis of any previous withdrawal and (f) is an item of "Cost" or "Cost of Issuance" (as defined in the Resolution).**

**(ii) attached hereto are invoices (or, in the event reimbursement is being requested, cancelled checks) for each amount described herein.**

**BRISTOL COUNTY WATER AUTHORITY**

**By: Title: Executive Director**